

In the event the aggregate distribution made to holders of Allowed Class 7 Claims is less than \$4,000,000, the holders of Allowed Class 6 Claims will receive a second distribution of Reorganized MobileMedia Warrants of an aggregate value equal to the pro rata share to which Class 6 is entitled (when compared to Class 7) of the difference between \$4,000,000 and the aggregate amount distributed in respect of all Allowed Class 7 Claims. It is anticipated that such second distribution, if made, would constitute only a small portion of the aggregate distribution provided to the members of Class 6.

(d) *Treatment of Class 7.* Each Allowed Claim in Class 7 will receive, on the later of the Effective Date and the date that such Class 7 Claim becomes an Allowed Class 7 Claim, cash in an amount such that such holder receives ___% of its Allowed Claim, which means that the Percent Recovery for each holder of an Allowed Class 7 Claim would be equal to the Percent Recovery of each holder of an Allowed Claim in Class 6 if Class 6 voted to accept the Plan. In the event the aggregate distribution made to holders of Allowed Class 7 Claims is less than \$4,000,000, the holders of Allowed Class 7 Claims will receive a second distribution in cash equal, in the aggregate, to the pro rata share to which Class 7 is entitled (when compared to Class 6) of the difference between \$4,000,000 and the aggregate amount distributed in respect of all Allowed Class 7 Claims. It is anticipated that such second distribution, if made, would constitute only a small portion of the aggregate distribution provided to the members of Class 7.

(e) *Treatment of Class 8.* Allowed Claims in Class 8 will not receive or retain any property on account of their Allowed Note Litigation Claims.

(f) *Treatment of Class 9.* Allowed Claims and Interests in Class 9 will not receive or retain any property on account of their Allowed Common Stock Claims and Interests.

(g) *Treatment of Class 10.* Except for the merger transactions described in Section 4.2(B) of the Plan, Claims and Interests in Class 10 will not receive or retain any property on account of their Subsidiary Claims and Interests.

V. CONDITIONS TO EFFECTIVENESS OF THE PLAN

Each of the following are conditions to the occurrence of the Effective Date set forth in Section 5.1 of the Plan:

(1) That the Confirmation Order has been entered by the Bankruptcy Court, more than ten (10) days have elapsed since the Confirmation Date, no stay of the Confirmation Order is in effect and the Confirmation Order has not been reversed, modified or vacated:

(2) That the FCC has approved the transfer of the Debtors' FCC licenses, thereby granting the Debtors' Second Thursday Application, on terms that do not impair the feasibility of the Plan and that permit the Plan to be implemented and consummated, and that any required state regulatory approvals, including any necessary approvals of the transfer of the Debtors' Licenses, have been obtained, but excluding any such approval that would not have a material effect on the Reorganized Debtors' operations as described herein;

(3) That the DIP Facility has been paid in full in cash; and

(4) That each of the New Credit Agreement and the Rights Agreement has been executed and is effective.

Sections 5.1 and 5.2 of the Plan together provide that if each of the conditions to the Effective Date has not occurred or been duly waived by the Debtors, with the prior consent of the Pre-Petition Agent and the Committee (except as to condition 3 above, as to which the prior consent of the Committee is not required), on or before a date that is eight months after the Confirmation Date, then the Confirmation Order will be vacated by the Bankruptcy Court. Upon motion of the Debtors, the Committee or the Pre-Petition Agent and with the approval of the Bankruptcy Court, this time period may be extended; provided, that such time period will automatically be deemed extended between the date any such party files its request with the Bankruptcy Court and the date the Bankruptcy Court issues an order determining whether to approve or deny the request. The Confirmation Order may not be vacated after all of the conditions to the Effective Date have either occurred or been waived.

VI. MEANS FOR EXECUTION OF PLAN

A. Implementation of Plan

As set forth in more detail herein and in the Plan, the Plan contemplates that the Reorganized Debtors will emerge from bankruptcy as stand-alone entities that will continue the business previously conducted by the Debtors prior to the Effective Date, and that holders of Allowed Claims will receive cash, debt securities of the Reorganized Debtors, equity securities of the Reorganized Debtors or a combination thereof. The Plan contains the requisite elements required under, inter alia, section 1123 of the Code, including adequate means for the Plan's implementation under section 1123(a)(5) of the Code.

B. FCC and State Regulatory Approval

As described in Section III.D., effectiveness of the Plan is conditioned upon obtaining approval by the FCC of the Debtors' Second Thursday Application on terms that do not impair the feasibility of the Plan and that permit the Plan to be implemented and consummated. This approval will permit the Debtors to transfer their FCC licenses to the

Reorganized Debtors. The Plan is also conditioned on obtaining all necessary and material state regulatory approvals.

C. Amendments to Articles or Certificates of Incorporation

Section 4.2(C)(1) of the Plan provides that the Articles or Certificates of Incorporation, as the case may be, of each Debtor that will be a Reorganized Debtor will be amended and restated as necessary so that, on the Effective Date, such Reorganized Debtor's Articles or Certificate of Incorporation (i) complies with section 1123(a)(6) of the Code by, inter alia, providing for restrictions on the issuance of nonvoting equity securities and an appropriate distribution of voting power as to the classes of securities possessing voting power, including adequate provisions for the election of directors representing any class of equity securities having a preference over another class of equity securities with respect to dividends in the event of default in the payment of such dividends, and (ii) in the case of Reorganized MobileMedia, provides for the issuance of the Reorganized MobileMedia Common Shares, the Reorganized MobileMedia Class A Shares, the Reorganized MobileMedia Class B Shares, the Reorganized MobileMedia Warrants and the Reorganized MobileMedia Rights, and will include the restrictions set forth in Schedule 2 to the Plan. The Reorganized MobileMedia Certificate of Incorporation will also provide for the issuance of up to 7% of the Reorganized MobileMedia Capital Shares, on a fully-diluted basis, pursuant to the exercise of options to be granted under the Reorganized MobileMedia Stock Option Plan from time to time after the Effective Date, which grants will be approved by the Board of Directors of Reorganized MobileMedia. The Plan also provides that the Articles or Certificates of Incorporation, as the case may be, of each Debtor that will be a Reorganized Debtor, as well as the bylaws of Reorganized MobileMedia, will be in a form reasonably acceptable to the Pre-Petition Agent.

D. Agreements Between the Debtors and Various Third Parties

1. Cancellation and Distribution of Notes.

(a) *Holders of Notes Entitled to Receive Distributions.* Section 4.3(B) of the Plan provides that except to the extent otherwise provided in the Plan or in an order of the Bankruptcy Court, any distribution under the Plan in respect of Allowed Claims under or evidenced by the Notes (other than Note Litigation Claims) will be made to the indenture trustee for such Notes which will, subject to the rights of such indenture trustee as against holders of the Notes under the applicable indenture, transmit, upon surrender of the Notes as set forth in Section 4.3(D) of the Plan, any cash or property so distributed to holders of Notes issued under such indenture that were holders on the Record Date. The reasonable fees and expenses of an indenture trustee incurred solely in connection with making such distributions, unless otherwise paid hereunder, will be paid by the Reorganized Debtors to the extent so required by the relevant indenture or as otherwise agreed between the Reorganized Debtors and such respective indenture trustee, and in any case subject to required approvals of the Bankruptcy Court, if any.

(b) *Fractional Interests.* Section 4.3(C) of the Plan provides that the calculation of securities to be distributed to holders of Allowed Claims may mathematically entitle the holder of such a Claim to a fractional interest in one or more of such securities. Notwithstanding such entitlement, all Reorganized MobileMedia Notes issued pursuant to the Plan will be issued and distributed only in denominations of \$1,000. To the extent that any holder would be entitled to a fractional denomination of a Reorganized MobileMedia Note but for this provision, such holder's Claim relating thereto will either be paid by the Reorganized Debtors in cash or, at the Reorganized Debtors' option, rounded up to entitle such holder to a full denomination. The Reorganized MobileMedia Capital Shares will be issued and distributed in whole shares, and not in fractional shares. To the extent that any holder would be entitled to a fractional Reorganized MobileMedia Capital Share but for this provision, such holder will, at the Reorganized Debtors' option, (i) be paid by the Reorganized Debtors cash in an amount equal to the fraction of said share multiplied by the price of a Reorganized MobileMedia Common Share on the Effective Date, as determined by reference to Schedule 1 to the Plan, or (ii) receive the number of whole shares determined by rounding up to the next whole number of shares. Reorganized MobileMedia Warrants will be issued and distributed in whole units, and not in fractional units. To the extent that any holder would be entitled to a fractional Reorganized MobileMedia Warrant but for this provision, such holder will receive the number of whole warrants determined by rounding up to the next whole number of warrants. For purposes of Section 4.3(C) of the Plan, holders of Allowed Claims under or evidenced by Notes will, in the case of Notes held in street name, mean the beneficial holders thereof.

(c) *Surrender of Notes.* Section 4.3(D) of the Plan provides that as a condition to participation in a distribution under the Plan, a holder of any existing Note that desires to receive the property to be distributed on account of such Note will surrender the Note to the indenture trustee of such Note, who will cancel or surrender such Note.

Section 4.3(D) of the Plan also provides that if a holder of a Note is unable to surrender such Note because it has been destroyed, lost or stolen, such holder may receive a distribution with respect to such Note upon request to the indenture trustee of such Note in an acceptable form, with: (i) proof of such holder's title to such Note; (ii) proof of the destruction or theft of such Note or an affidavit to the effect that the same has been lost and after diligent search cannot be found; and (iii) such indemnification as may be required by the Reorganized Debtors to indemnify the Reorganized Debtors, the indenture trustee of such Note and all other persons deemed appropriate by the Reorganized Debtors against any loss, action, suit or other claim whatsoever that may be made as a result of such holder's receipt of a distribution on account of such Note under the Plan.

Section 4.3(D) of the Plan also provides that in the event of a transfer of ownership of Notes that is not registered on the transfer records of the indenture trustee for such Notes, the securities to be distributed under the Plan may be distributed to a transferee of the Notes if an executed letter of transmittal in form satisfactory to the indenture trustee for such Notes is presented to such indenture trustee, accompanied by such documents as are required to

evidence and effect such transfer and to evidence that any applicable transfer taxes have been paid.

2. Management Employment Agreements, Employment Agreements and Benefits Agreements.

Section 3.1(C) of the Plan provides that subject to such modifications or terminations as the Debtors, with any required Bankruptcy Court approval may implement prior to the Effective Date, effective on the Effective Date, all contracts, agreements or plans between the Debtors and their current employees and surviving spouses, including agreements with management employees, severance agreements and agreements with respect to retiree or surviving spouse benefits, and all other benefits provided any of its employees, will be deemed assumed by the Reorganized Debtors pursuant to sections 365 and 1123(b)(2) of the Code, to the extent such sections are applicable, without further action on the part of the Debtors, but with the prior consent of the Pre-Petition Agent, which consent will not be unreasonably withheld. Schedule 7 to the Plan identifies the plans and agreements that will be assumed or rejected, as indicated therein, as of the Effective Date. All such agreements that are not executory will be performed by the Reorganized Debtors according to their terms.

E. Effect of Plan Confirmation

1. Revesting of Assets.

Section 4.2(A) of the Plan provides that, except as provided in the Plan, all property of the estate, to the fullest extent provided for in section 541 of the Code, and any and all other rights and assets of the Debtors of every kind and nature will, on the Effective Date, revert in the Reorganized Debtors free and clear of all Liens, Claims and Interests except those Liens, Claims and Interests retained or created pursuant to the Plan.

2. Discharge.

Section 4.2(E) of the Plan provides that subject to performance by the Debtors under the Plan, the Confirmation Order will act as a discharge on the Effective Date of any and all Interests in and Claims against the Debtors, as provided in sections 524 and 1141 of the Code.

3. Post-Consummation Effect of Evidences of Claims or Interests.

Notes, stock certificates and other evidence of Claims against or Interests in the Debtors will, effective upon the Effective Date, represent only the right to participate in the distributions contemplated by the Plan.

4. Term of Injunctions or Stays.

Unless otherwise provided in the Plan, all injunctions or stays, whether by operation of law or by Bankruptcy Court order, provided for in the Cases pursuant to sections 105 or 362 of the Code or otherwise that are in effect on the Confirmation Date will remain in full force and effect until the Effective Date.

F. Executory Contracts and Unexpired Leases.

Article III of the Plan provides for assumption or rejection of the Debtors' executory contracts and unexpired leases not previously assumed or rejected prior to the Confirmation Date.

(a) *Assumed Contracts.* Section 3.1(A) of the Plan provides that each executory contract or unexpired lease of the Debtors that has not expired by its own terms prior to the Effective Date, has not been rejected during the Cases prior to Confirmation, is not proposed to be rejected under the Plan and is not subject to a motion for rejection filed before the Confirmation Date, will, by the terms of the Plan, be assumed by the Reorganized Debtors pursuant to sections 365 and 1123(b)(2) of the Code on the Effective Date. All such assumed contracts, unexpired leases, franchises and permits, and any contracts or unexpired leases assumed by the Debtors by order of the Bankruptcy Court prior to the Confirmation Date, will be vested in, and continue in effect for the benefit of, the Reorganized Debtors.

Section 3.1(B) of the Plan provides that the Reorganized Debtors will, within five days after the Confirmation Date, file and serve on all parties to assumed executory contracts and unexpired leases, and on the Pre-Petition Agent and the Committee, a schedule setting forth the amount of cure and compensation payments to be provided by the Reorganized Debtors in accordance with section 365(b)(1) of the Code. To the extent that a party to an assumed executory contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the twenty-fifth day after the Confirmation Date disputing the amount of any cure and compensation payments offered to it by the Reorganized Debtors, then such party will be deemed to have waived its right to dispute such amount. All unpaid cure and compensation payments under any executory contracts or unexpired leases that are assumed or assumed and assigned under the Plan (including, without limitation, Claims filed in the Cases or listed in the Schedules and Allowed by order of the Bankruptcy Court prior to the Confirmation Date that relate to executory contracts or unexpired leases that are assumed or assumed and assigned under the Plan) will be made by the Reorganized Debtors as soon as practicable after the Effective Date, but not later than thirty days after the Effective Date; provided, that, in the event of a dispute regarding the amount of any cure and compensation payments, the Reorganized Debtors will make such cure and compensation payments as may be required by section 365(b)(1) of the Code following the entry of a Final Order resolving such dispute.

(b) *Rejected Contracts.* Section 3.2(A) of the Plan provides that executory contracts and unexpired leases not previously rejected may be rejected by motions

filed with the Bankruptcy Court at least ten (10) days prior to the Confirmation Date, in which event, unless the Bankruptcy Court otherwise provides, such executory contracts and unexpired leases will be deemed rejected on the Effective Date or such earlier date as is set forth in the order of the Bankruptcy Court authorizing the rejection.

Section 3.2(B) of the Plan provides that except as otherwise provided in any order of the Bankruptcy Court, any claims for damages arising from the rejection of an executory contract or unexpired lease not filed on or prior to the Confirmation Date must be filed within 60 days after the earlier of (i) the entry of the order approving rejection of such executory contract or unexpired lease and (ii) the Confirmation Date. Any such Claims not filed within such 60-day period will be barred and may not thereafter be asserted.

G. Other Plan Provisions

1. Management and Operation of the Debtors.

Section 4.1(A) of the Plan provides that after the Confirmation Date and prior to the Effective Date, the Debtors will be managed by substantially the same personnel that managed and operated the Debtors on the Confirmation Date, subject to such changes as may be determined by the Board of Directors of a Debtor in accordance with the Bylaws and Articles or Certificate of Incorporation of such Debtor. Except as required by law, the Debtors will: (i) conduct their business in the usual, regular and ordinary course of business in a manner consistent with past practice, sound business practice and the terms of the Plan, subject to their obligations as debtors-in-possession pursuant to the Code; (ii) use their best efforts to preserve intact their respective business organizations and goodwill, keep available the services of their key employees and preserve the goodwill and business relationships with suppliers, distributors, customers and others with whom they have business relationships; (iii) take no actions inconsistent with the Plan; (iv) use their best efforts to satisfy the conditions to the effectiveness of the Plan; and (v) make cash payments, and otherwise conduct cash management, in the ordinary course of their business and in a manner consistent with the terms of the Plan.

2. Continuation of Committee.

Section 4.1(B) of the Plan provides that the Committee will continue to serve until the Effective Date, and will be dissolved on the Effective Date.

3. Corporate Restructuring of the Debtors.

Section 4.2(B) of the Plan provides that effective as of the Effective Date but immediately following the Debtors' discharge under the Plan, each of the following transactions will be deemed to have occurred in the order listed: (i) all wholly owned direct subsidiaries of MCCA will be merged with and into MCCA; (ii) Communications will contribute its interest in the common stock of FWS Radio, Inc. to MCCA, and FWS Radio, Inc. will then be merged with and into MCCA; (iii) MobileComm of the West, Inc., a wholly owned direct subsidiary of

MCCA as a result of the mergers described in clause (i) of Section 4.2(B) of the Plan, will be merged with and into MCCA; (iv) Dial Page Southeast, Inc., MobileMedia Communications, Inc. (California), MobileMedia DP Properties, Inc., MobileMedia Paging, Inc., MobileMedia PCS, Inc. and Radio Call Co. of Virginia, Inc., all wholly owned direct subsidiaries of Communications, will be merged with and into MCCA; (v) Communications will transfer its assets (other than its shares of MCCA) to MCCA; and (vi) MCCA will organize License Co. L.L.C. as a wholly owned limited liability company of MCCA and will transfer the Licenses then held by it to License Co. L.L.C. It is anticipated that License Co. L.L.C. will be taxed as a branch of MCCA.

4. Distributions.

Section 4.3(A) of the Plan provides that, subject to Sections 4.4, 4.7 and 4.8 of the Plan, all distributions to be made under the Plan on the Effective Date will be made on the Effective Date or as soon as practicable thereafter.

5. Waiver of Subordination Rights.

Section 4.5 of the Plan provides that pursuant to Bankruptcy Rule 9019 and any applicable state law and as consideration for the distributions and other benefits provided under the Plan, if each of Class 4 and Class 6 votes to accept the Plan, all holders of Allowed Class 4 Claims and Allowed Class 6 Claims will be deemed to have effectuated a good faith compromise, settlement and waiver of their rights to assert against any Person any contractual subordination rights otherwise enforceable in accordance with section 510(a) of the Code, as between such Allowed Class 4 Claims and Allowed Class 6 Claims, which compromise, settlement and waiver is in the best interests of the holders of Allowed Class 4 Claims and Allowed Class 6 Claims, and is fair, equitable and reasonable. Pursuant to Bankruptcy Rule 9019 and any applicable state law, and as consideration for the distributions and other benefits provided under the Plan, if each of Class 5 and Class 6 votes to accept the Plan, all holders of Allowed Class 5 Claims and Allowed Class 6 Claims will be deemed to have effectuated a good faith compromise, settlement and waiver of their rights to assert against any Person any contractual subordination rights otherwise enforceable in accordance with section 510(a) of the Code, as between such Allowed Class 5 Claims and Allowed Class 6 Claims, which compromise, settlement and waiver is in the best interests of the holders of Allowed Class 5 Claims and Allowed Class 6 Claims, and is fair, equitable and reasonable. These settlements will be approved by the Bankruptcy Court in the Confirmation Order as settlements and waivers of any and all rights to assert such contractual subordination rights otherwise enforceable in accordance with section 510(a) of the Code. The Bankruptcy Court's approval of these settlements and waivers pursuant to Bankruptcy Rule 9019 will bar any cause of action relating to the matters described in Section 4.5 of the Plan that could have been brought by any holder of Allowed Class 4 Claims or Allowed Class 5 Claims, in either case against the holders of Allowed Class 6 Claims.

6. Retention and Enforcement of Causes of Action.

Section 6.2 of the Plan provides that pursuant to section 1123(b)(3)(B) of the Code, but subject to Sections 6.4 and 6.5 of the Plan, the Debtors and the Reorganized Debtors, on behalf of themselves and holders of Allowed Claims and Interests, will retain all Causes of Action that the Debtors had or had power to assert immediately prior to the Confirmation Date and may commence or continue in any appropriate court or tribunal any suit or other proceeding for the enforcement of such Causes of Action. All Causes of Action will remain the property of the Debtors and the Reorganized Debtors. Nothing contained in the Plan will constitute a waiver of the rights, if any, of the Debtors or the Reorganized Debtors to a jury trial with respect to any cause of action or objection to any Claim or Interest.

7. Unclaimed Distributions.

Section 6.3 of the Plan provides that all property that is unclaimed for two years after distribution thereof by mail to the latest mailing address filed of record with the Bankruptcy Court for the party entitled thereto or, if no such mailing address has been so filed, to the mailing address reflected in the Debtors' Schedules, or in the case of the holder of Notes, to the latest mailing address maintained of record by the pertinent indenture trustee or, if no mailing address is maintained of record, to the pertinent indenture trustee, will become property of the Reorganized Debtors.

8. Limitation of Liability.

Section 6.4 of the Plan provides that none of the Debtors, the Reorganized Debtors, the Committee, the Rights Agent, the Pre-Petition Agent, the DIP Agent, the DIP Lenders, the Pre-Petition Lenders, the indenture trustees for the Notes, nor any of their respective officers, directors, employees, members or agents, nor any professional Persons employed by any of them (collectively, the "Exculpated Persons"), will have or incur any liability to any Person for any act taken or omission made in good faith in connection with or related to formulating, negotiating, implementing, confirming or consummating the Plan, this Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan. The Exculpated Persons will have no liability to any Debtor, holder of a Claim, holder of an Interest, other party in interest in the Cases or any other Person for actions taken or not taken under the Plan, in connection therewith or with respect thereto in good faith, including, without limitation, failure to obtain Confirmation of the Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions to the occurrence of the Effective Date. Further, the Exculpated Persons will not have or incur any liability to any Debtor, holder of a Claim, holder of an Interest, other party in interest in the Cases or any other Person for any act or omission in connection with or arising out of their administration of the Plan or the property to be distributed under the Plan, except for gross negligence or willful misconduct, and in all respects such Exculpated Persons will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

9. Releases.

Section 6.5(A) of the Plan provides that on the Effective Date, the Reorganized Debtors, on their own behalf and as representatives of the Debtors' estates, in consideration of services rendered in the Cases and other good and valuable consideration, the receipt and sufficiency of which is acknowledged in the Plan, release unconditionally, and are deemed to release unconditionally, each of the Debtors' (1) present officers and directors, (2) former officers and directors (other than those former officers and directors considered by the FCC to be alleged wrongdoers for purposes of the Debtors' Second Thursday Application), (3) the entities that elected such directors to the extent they are or may be liable for the actions or inactions of such directors, and (4) their respective professional advisers (collectively, the "Officer and Director Releasees") from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (including, without limitation, those arising under the Code), whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence taking place before, on or after the Petition Date up to the Effective Date, in any way relating to the Debtors (before, on or after the Petition Date), the Cases or the Plan (collectively, the "Released Matters"); provided, that such release will not apply to any action or omission that constitutes actual fraud or criminal behavior.

Section 6.5(B) of the Plan provides that on the Effective Date, the Reorganized Debtors, on their own behalf and as representatives of the Debtors' estates, in consideration of services rendered in the Cases and other good and valuable consideration, the receipt and sufficiency of which is acknowledged in the Plan, release unconditionally, and are deemed to release unconditionally, each of (1) the Pre-Petition Lenders, the Pre-Petition Agent, the DIP Lenders and the DIP Agent and (2) their respective professional advisers (collectively, the "Lender Releasees") from the Released Matters; provided, that such release will not apply to any action or omission that constitutes actual fraud or criminal behavior.

Section 6.5(C) of the Plan provides that on the Effective Date, the Reorganized Debtors, on their own behalf and as representatives of the Debtors' estates, in consideration of services rendered in the Cases and other good and valuable consideration, the receipt and sufficiency of which is acknowledged in the Plan, release unconditionally, and are deemed to release unconditionally, (1) prior to February 10, 1997, each member of the Committee, (2) on and after February 10, 1997, the Committee and (3) their respective professional advisers (collectively, the "Committee Releasees") from the Released Matters; provided, that such release will not apply to any action or omission that constitutes actual fraud or criminal behavior.

Section 6.5(D) of the Plan provides that on the Effective Date, each holder of a Claim that is entitled to vote on the Plan will be deemed to have unconditionally released the Officer and Director Releasees, the Lender Releasees and the Committee Releasees from the Released Matters; provided, that such release will not apply to any action or omission that constitutes actual fraud or criminal behavior; and provided, further, that a holder of a Claim may elect, by checking the appropriate box or boxes provided on the Ballot, not to grant such release

as to the Officer and Director Releasees, the Lender Releasees or the Committee Releasees, or all of them.

Section 6.5(E) of the Plan provides that the Confirmation Order will contain a permanent injunction to effectuate the releases granted in Sections 6.5(A), (B), (C) and (D) of the Plan.

10. Indemnification Obligations; Directors' and Officers' Liability Insurance.

Section 6.6(A) of the Plan provides that upon and at all times after the Effective Date, each Reorganized Debtor's Articles or Certificate of Incorporation will contain a provision that requires such Reorganized Debtor, subject to appropriate procedures, to indemnify such Reorganized Debtor's directors and officers as of the Effective Date and thereafter to the fullest extent permitted by applicable law.

Section 6.6(B) of the Plan provides that for purposes of the Plan, and notwithstanding any other provision of the Plan, the existing obligations of the Debtors to indemnify their current officers and employees (other than (i) those officers and directors considered by the FCC to be alleged wrongdoers for purposes of the Debtors' Second Thursday Application and (ii) those officers and directors now or hereafter named as defendants in the Securities Actions (or other similar causes of action brought after the date hereof)), and any officer, director or employee serving as a fiduciary of any employee benefit plan or program of the Debtors, pursuant to charter, by-law, contract or applicable state law for any actions taken or not taken in the discharge of such officer's or employee's duties in connection with the customary operations of the Debtors' business, will be deemed to be, and will be treated as though they are, executory contracts that are assumed agreements under the Plan, and such obligations (subject to any defenses thereto) will survive Confirmation of the Plan, will remain unaffected and will not be discharged or impaired thereby, irrespective of whether indemnification is owed in connection with a pre-Petition Date or a post-Petition Date occurrence; provided, that such assumption will not affect any release of any such obligation given in writing to the Debtors before the Effective Date or to the Reorganized Debtors on or after the Effective Date.

Section 6.6(C) of the Plan provides that on the Effective Date, the Reorganized Debtors will purchase a "run-off" policy for the Debtors' current and former directors and officers (other than those former officers and directors considered by the FCC to be alleged wrongdoers for purposes of the Debtors' Second Thursday Application), which policy will provide for aggregate coverage up to \$40 million for claims made during a period of at least three (3) years following the Effective Date (or such other period as is approved by the Pre-Petition Agent) based on alleged "wrongful acts" through the Effective Date, and will contain such other usual and customary terms and conditions as are approved by the Board of Directors of MobileMedia; provided, that the aggregate premium for such policy will not exceed \$750,000.

11. Terms Binding.

Section 6.7 of the Plan provides that on the Effective Date, all provisions of the Plan, including all agreements, instruments and other documents filed in accordance with Section 6.8 of the Plan and executed by the Reorganized Debtors in connection with the Plan, will be binding upon the Reorganized Debtors, all holders of Claims and Interests and all other entities that are affected in any manner by the Plan. All agreements, instruments and other documents filed in connection with the Plan pursuant to Section 6.8 of the Plan will have full force and effect, and will bind all parties thereto as of the Effective Date, whether or not such exhibits will actually be executed by parties other than the Reorganized Debtors, or issued, delivered or recorded on the Effective Date or thereafter.

12. Additional Terms of Securities and Other Instruments.

Section 6.8 of the Plan provides that the securities of the Reorganized Debtors, the New Credit Agreement and all other securities or agreements issued or entered into pursuant to the Plan will contain such other terms, not inconsistent with the provisions of the Plan, as are reflected in the forms of such securities and agreements and related documents filed with the Bankruptcy Court at least ten days prior to the Voting Deadline. Any modification of the documents after such date will be treated as a Plan modification and will be governed by section 1127 of the Code.

13. Payment Dates.

Whenever any payment to be made under the Plan is due on a day other than a Business Day, such payment will instead be made, without interest, on the next succeeding Business Day.

14. Successors and Assigns.

The rights, benefits and obligations of any person named or referred to in the Plan will be binding upon, and will inure to the benefit of, the heir, executor, administrator, successor or assignee of such person.

15. Compliance with Law; Governing Law.

It is intended that the provisions of the Plan (including the implementation thereof) will be in compliance with applicable law, including, without limitation, the Code, the Delaware General Corporation Law, as amended, the Communications Act of 1934, as amended, the Securities Act of 1933, as amended, and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as well as, in each case, any rules and regulations promulgated thereunder. If the Debtors conclude that the Plan may not comply with any of the foregoing, then and in such event the Debtors intend to amend the Plan in such respects as they deem necessary to bring the Plan into compliance therewith; provided, that any such amendment will be reasonably

acceptable to the Pre-Petition Agent. In addition, except to the extent that the Code or any other federal law is applicable or to the extent the law of a different jurisdiction is validly elected by the Debtors, the rights, duties and obligations arising under the Plan will be governed in accordance with the substantive laws of the United States of America and, to the extent federal law is not applicable, the laws of the State of Delaware.

H. Ownership and Resale of Plan Securities; Exemption from Securities Laws

No registration statement will be filed under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws with respect to the offer and distribution under the Plan of Reorganized MobileMedia Notes, Reorganized MobileMedia Warrants, Reorganized MobileMedia Rights and Reorganized MobileMedia Capital Shares, or the Reorganized MobileMedia Common Shares issuable upon exercise of the Reorganized MobileMedia Warrants and the Reorganized MobileMedia Class B Shares issuable upon exercise of the Reorganized MobileMedia Rights (collectively, the "Plan Securities"). The Debtors believe that the provisions of section 1145(a)(1) of the Code (and, with respect to the Reorganized MobileMedia Common Shares issuable upon exercise of the Reorganized MobileMedia Warrants and the Reorganized MobileMedia Class B Shares distributable upon exercise of the Rights, section 1145(a)(2) of the Code), exempt the offer and distribution of the Plan Securities from federal and state securities registration requirements.

1. Bankruptcy Code Exemption From Registration Requirements.

(a) *Initial Offer and Sale of Plan Securities.* Section 1145(a)(1) of the Code exempts the offer and sale of securities under a plan of reorganization from registration under the Securities Act and state laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor or of a successor to the debtor under the plan; (ii) the recipient of the securities must hold a pre-petition or administrative claim against, or an interest in, the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in such exchange and partly for cash or property. The Debtors believe that the offer and sale of the Plan Securities under the Plan satisfies the requirements of section 1145(a)(1) of the Code and is, therefore, exempt from registration under the Securities Act and state securities laws.

Section 1145(a)(2) of the Code exempts the offer of a security through any warrant, option or right to subscribe that was sold in the manner specified in section 1145(a)(1) of the Code and the sale of a security upon the exercise of such a warrant, option or right to subscribe. The Debtors believe that the offer and sale of (i) Reorganized MobileMedia Common Shares pursuant to the Reorganized MobileMedia Warrants and (ii) Reorganized MobileMedia Class B Shares pursuant to the Reorganized MobileMedia Rights each satisfies the requirements of section 1145(a)(2) of the Code and is, therefore, exempt from registration under the Securities Act and state securities laws.

(b) *Subsequent Transfers of Plan Securities.* In general, all resales and subsequent transactions in the Reorganized MobileMedia Capital Shares, Reorganized MobileMedia Notes, Reorganized MobileMedia Rights and Reorganized MobileMedia Warrants distributed under the Plan, and the Reorganized MobileMedia Common Shares issued upon exercise of the Reorganized MobileMedia Warrants or of the Reorganized MobileMedia Class B Shares issued upon the exercise of Reorganized MobileMedia Rights, will be exempt from registration under the Securities Act pursuant to section 4(1) of the Securities Act, unless the holder thereof is deemed to be an "underwriter" with respect to such securities, an "affiliate" of the issuer of such securities or a "dealer". Section 1145(b) of the Code defines four types of "underwriters":

- (i) persons who purchase a claim against, an interest in or a claim for administrative expense against the debtor with a view to distributing any security received in exchange for such a claim or interest ("accumulators");
- (ii) persons who offer to sell securities offered under a plan for the holders of such securities ("distributors");
- (iii) persons who offer to buy securities from the holders of such securities, if the offer to buy is (A) with a view to distributing such securities and (B) made under a distribution agreement; or
- (iv) a person who is an "issuer" with respect to the securities, as the term "issuer" is defined in section 2(11) of the Securities Act.

Under section 2(11) of the Securities Act, an "issuer" includes any "affiliate" of the issuer, which means any person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the issuer. Under section 2(12) of the Securities Act, a "dealer" is any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker or principal, in the business of offering, buying, selling or otherwise dealing or trading in securities issued by another person. Whether or not any particular person would be deemed to be an "underwriter" or an "affiliate" with respect to any Plan Security or to be a "dealer" would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any person would be an "underwriter" or an "affiliate" with respect to any Plan Security or would be a "dealer".

The SEC has taken the position that resales by accumulators and distributors of securities distributed under a plan of reorganization who are not affiliates of the issuer of such securities are exempt from registration under the Securities Act if effected in "ordinary trading transactions". The staff of the SEC has indicated in this context that a transaction by such non-affiliates may be considered an "ordinary trading transaction" if it is made on an exchange or in the over-the-counter market and does not involve any of the following factors:

- (i) (A) concerted action by the recipients of securities issued under a plan in connection with the sale of such securities or (B) concerted action by distributors on behalf of one or more such recipients in connection with such sales;
- (ii) the use of informational documents concerning the offering of the securities prepared or used to assist in the resale of such securities, other than a bankruptcy court-approved disclosure statement and supplements thereto, and documents filed with the SEC pursuant to the Exchange Act; or
- (iii) the payment of special compensation to brokers and dealers in connection with the sale of such securities designed as a special incentive to the resale of such securities (other than the compensation that would be paid pursuant to arm's-length negotiations between a seller and a broker or dealer, each acting unilaterally, not greater than the compensation that would be paid for a routine similar-sized sale of similar securities of a similar issuer).

The views of the SEC on the matter have not, however, been sought by the Debtors and, therefore, no assurance can be given regarding the proper application of the "ordinary trading transaction" exemption described above. Any person intending to rely on such exemption is urged to consult his or her own counsel as to the applicability thereof to his or her circumstances.

Securities Act Rule 144 provides an exemption from registration under the Securities Act for certain limited public resales of unrestricted securities by "affiliates" of the issuer of such securities. Rule 144 allows a holder of unrestricted securities that is an affiliate of the issuer of such securities to sell, without registration, within any three-month period a number of shares of such unrestricted securities that does not exceed the greater of one percent (1%) of the number of outstanding securities in question or the average weekly trading volume in the securities in question during the four calendar weeks preceding the date on which notice of such sale was filed pursuant to Rule 144, subject to the satisfaction of certain other requirements of Rule 144 regarding the manner of sale, notice requirements and the availability of current public information regarding the issuer. The Debtors believe that, pursuant to section 1145(c) of the Code, the Plan Securities will be unrestricted securities for purposes of Rule 144.

GIVEN THE COMPLEX NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN THE PLAN SECURITIES. THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS AND INTERESTS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

State securities laws generally provide registration exemptions for subsequent transfers by a bona fide owner for his or her own account and subsequent transfers to institutional or accredited investors. Such exemptions are generally expected to be available for subsequent transfers of Reorganized MobileMedia Notes, Reorganized MobileMedia Capital Shares, Reorganized MobileMedia Rights and Reorganized MobileMedia Warrants.

(c) *Certain Transactions by Stockbrokers.* Under section 1145(a)(4) of the Code, stockbrokers effecting transactions in the Reorganized MobileMedia Notes, Reorganized MobileMedia Capital Shares, Reorganized MobileMedia Rights or Reorganized MobileMedia Warrants prior to the expiration of 40 days after the Effective Date are required to deliver to the purchaser of such securities a copy of this Disclosure Statement (and supplements hereto, if any, if ordered by the Bankruptcy Court) at or before the time of delivery of such securities to such purchaser.

2. Registration Rights.

Pursuant to Section 4.12(B) of the Plan, as soon as practicable after the Effective Date, Reorganized MobileMedia will enter into a registration rights agreement (the "Registration Rights Agreement") with certain entities that receive distributions pursuant to the Plan, which Registration Rights Agreement will be in a form reasonably acceptable to the Pre-Petition Agent. The Registration Rights Agreement will be made only with each such entity (each, an "Eligible Holder") that receives distributions pursuant to the Plan on the Effective Date of Reorganized MobileMedia Class A Shares (assuming full conversion of such Reorganized MobileMedia Class A Shares into Reorganized MobileMedia Common Shares) or Reorganized MobileMedia Common Shares and Reorganized MobileMedia Rights (assuming the full exercise thereof and the full conversion of the Reorganized MobileMedia Class B Shares acquired upon such exercise into Reorganized MobileMedia Common Shares) which such holder certifies to Reorganized MobileMedia may cause it to be deemed an "affiliate" of Reorganized MobileMedia within the meaning of the Securities Act of 1933, as amended (which certification will, if requested by Reorganized MobileMedia, be accompanied by an opinion of counsel reasonably satisfactory to Reorganized MobileMedia addressed to Reorganized MobileMedia setting forth the confirming opinion of such counsel as to the basis of such certification). Pursuant to the Registration Rights Agreement, Reorganized MobileMedia will be obligated, for the benefit of each Eligible Holder, to use its reasonable commercial efforts to effect registration under the Securities Act of 1933, as amended, of some or all (as designated by such Eligible Holder) of the Reorganized MobileMedia Common Shares owned by such Eligible Holder in connection with the resale thereof, which registration (i) initially will be under a shelf registration statement filed under Rule 415 under the Securities Act of 1933, as amended, that Reorganized MobileMedia will use its reasonable commercial efforts to continue on an effective basis until the third anniversary of the Effective Date or, if such shelf registration will not be filed or become effective for any reason within 75 days following the Effective Date, then under a registration statement filed under such Act upon the demand of any such Eligible Holder at any time until the third anniversary of the Effective Date, and (ii) thereafter will be under a registration statement filed under such Act upon the demand of any such Eligible Holder at any time during the two-year

period expiring on the fifth anniversary of the Effective Date; provided, that Reorganized MobileMedia will not be required to register Reorganized MobileMedia Common Shares pursuant to any of the foregoing demand rights unless such Eligible Holder then certifies to Reorganized MobileMedia that its ownership of Reorganized MobileMedia Common Shares distributed to it on the Effective Date or thereafter acquired through the change and conversion of Reorganized MobileMedia Class A Shares into Reorganized MobileMedia Common Shares, or the exercise of Reorganized MobileMedia Rights so distributed to it and the change and conversion of the Reorganized MobileMedia Class B Shares acquired upon such exercise into Reorganized MobileMedia Common Shares may cause it to be deemed to be an affiliate (as so defined) of Reorganized MobileMedia (which certification will, if requested by Reorganized MobileMedia, be accompanied by an opinion of counsel reasonably satisfactory to Reorganized MobileMedia setting forth the confirming opinion of such counsel as to the basis for the certification); and provided, further, that in no event will Reorganized MobileMedia be obligated to register Reorganized MobileMedia Common Shares on more than three occasions in response to demands to register Reorganized MobileMedia Common Shares made by all such Eligible Holders during the period continuing until the third anniversary of the Effective Date (in the event such shelf registration statement will not be filed or become effective within such 75-day period) or on more than two occasions in response to demands to register Reorganized MobileMedia Common Shares made by all such Eligible Holders during the two-year period expiring on the fifth anniversary of the Effective Date. In addition, all such Eligible Holders will be entitled to customary "piggy-back" registration rights in connection with the resale of their Reorganized MobileMedia Common Shares. All rights of any Eligible Holder to sell its Reorganized MobileMedia Common Shares pursuant to the foregoing shelf registration statement, and all rights of any Eligible Holder to register its Reorganized MobileMedia Common Shares pursuant to such demand or piggy-back registration rights, will in each case be subject to various black-out periods (including black-out periods pending disclosure of material corporate events or transactions involving Reorganized MobileMedia or any Reorganized MobileMedia Subsidiary that are not otherwise required to be disclosed and black-out periods during which the shelf registration statement is no longer effective or fails to comply with the requirement of the Securities Act of 1933, as amended, and the rules and regulations thereunder) and other limitations and conditions (including prohibitions on sales or registrations in the event the same would interfere with material transactions involving Reorganized MobileMedia or any Reorganized MobileMedia Subsidiary).

THE DEBTORS DO NOT PRESENTLY INTEND TO SUBMIT ANY NO-ACTION OR INTERPRETATIVE REQUESTS TO THE SEC WITH RESPECT TO ANY SECURITIES LAWS MATTERS.

I. Certain Terms of Reorganization Securities Issued Under Plan

The following is a summary only, and is subject in all respects to the terms of the Plan and the documents filed in accordance with Section 6.8 of the Plan. The Plan and the actual filed documents may differ in non-material respects from the following. The discussion contained in this Section and elsewhere in this Disclosure Statement is intended only to be a

description of the terms of the Reorganized MobileMedia Notes, Reorganized MobileMedia Common Shares, Reorganized MobileMedia Class A Shares, Reorganized MobileMedia Class B Shares, Reorganized MobileMedia Warrants and the Reorganized MobileMedia Rights to be issued under the Plan, and the general manner in which such securities will be issued, and is not an offer to sell or the solicitation of an offer to buy any such securities, and no such offer to sell or solicitation of an offer to buy any such securities will be deemed to be made by this Disclosure Statement or the Plan.

1. General Provisions of the Reorganized MobileMedia Notes.

Section 4.7 of the Plan provides that under the Plan, the Reorganized MobileMedia Notes (described more fully on Schedule 4 to the Plan) will be issued as a new series of notes. See Section IV, "Summary of the Plan of Reorganization".

(a) *Principal Amount and Maturity.* \$150,000,000 in aggregate principal amount of Reorganized MobileMedia Notes will be issued. The term of the Reorganized MobileMedia Notes will be ten years.

(b) *Interest Rate; Interest Payments.* The Reorganized MobileMedia Notes will bear interest at a rate intended to cause them to trade at par on the Effective Date. Interest will be paid, in cash, semi-annually, with interest accruing from the Effective Date.

(c) *Security and Priority.* The Reorganized MobileMedia Notes will be unsecured and will be guaranteed by each Reorganized MobileMedia Subsidiary.

(d) *Covenants.* The Reorganized MobileMedia Notes will contain covenants customary for senior high yield notes, which may include limitations on consolidated debt, other debt, restricted payments, transactions with affiliates and related persons, asset dispositions, mergers and consolidations and changes of control.

(e) *Events of Default.* The Reorganized MobileMedia Notes will contain events of default customary for high yield notes of companies similar to Reorganized MobileMedia.

2. General Provisions of the Reorganized MobileMedia Common Shares.

Section 4.8 of the Plan provides that on the Effective Date, Reorganized MobileMedia will issue _____ Reorganized MobileMedia Common Shares, with a par value of \$.001 per share. Reorganized MobileMedia Common Shares will be entitled to the payment of dividends, when and as declared by the Board of Directors of Reorganized MobileMedia, out of funds legally available therefor and subject to the limitations on payment contained in the New Credit Agreement and applicable law. As provided in the Reorganized MobileMedia Certificate of Incorporation, the Reorganized MobileMedia Common Shares will vote together with the Reorganized MobileMedia Class A Shares as a single class for the election of the Board of

Directors (subsequent to the appointment of the initial Board of Directors of Reorganized MobileMedia as provided for in Section 4.2(C)(2) of the Plan) and with respect to all matters that require the approval or action of the stockholders or that are otherwise submitted to the stockholders of Reorganized MobileMedia for approval or action. The Reorganized MobileMedia Common Shares will otherwise be identical in all respects to the Reorganized MobileMedia Class A Shares, except that the outstanding Reorganized MobileMedia Common Shares will remain outstanding and not change in any respect by reason of any other Reorganized MobileMedia Common Shares being issued by Reorganized MobileMedia upon exercise of any Reorganized MobileMedia Rights on the Rights Closing Date or upon conversion of the Reorganized MobileMedia Class A Shares or Reorganized MobileMedia Class B Shares (each as described below) into Reorganized MobileMedia Common Shares. Reorganized MobileMedia Common Shares will have no cumulative voting rights and no preemptive rights.

3. General Provisions of the Reorganized MobileMedia Class A Shares.

On the Effective Date, Reorganized MobileMedia will issue _____ Reorganized MobileMedia Class A Shares, with a par value of \$.001 per share. The Reorganized MobileMedia Class A Shares will vote together with the Reorganized MobileMedia Common Shares as a single class for the election of the Board of Directors (subsequent to the appointment of the initial Board of Directors of Reorganized MobileMedia as provided for in Section 4.2(C)(2) of the Plan) and with respect to all matters that require approval or action of the stockholders of Reorganized MobileMedia or that are otherwise submitted to the stockholders of Reorganized MobileMedia for approval or action, and will otherwise be identical in all respects with the Reorganized MobileMedia Common Shares, except that (i) if any Reorganized MobileMedia Class B Shares are issued by Reorganized MobileMedia upon exercise of the Reorganized MobileMedia Rights on the Rights Closing Date, Reorganized MobileMedia will simultaneously therewith redeem a like number of Reorganized MobileMedia Class A Shares for a redemption price per share equal to the Rights Purchase Price (as defined in Schedule 5 to the Plan), with any redemption of less than the entire class of outstanding Reorganized MobileMedia Class A Shares being made on a pro rata basis, and (ii) each outstanding Reorganized MobileMedia Class A Share not so redeemed on or before the Rights Closing Date will automatically change and convert into one Reorganized MobileMedia Common Share immediately following such redemption on the Rights Closing Date without any action on the part of Reorganized MobileMedia or the holder thereof.

4. General Provisions of the Reorganized MobileMedia Class B Shares.

Section 4.9 of the Plan provides that commencing on the Effective Date, Reorganized MobileMedia will be authorized to issue upon the exercise of any Reorganized MobileMedia Right one Reorganized MobileMedia Class B Share, par value \$.001 per share, and an aggregate of ____ Reorganized MobileMedia Class B Shares. The Reorganized MobileMedia Class B Shares will be identical in all respects to the Reorganized MobileMedia

Common Shares, except that (i) the Reorganized MobileMedia Class B Shares will not have voting rights (except as otherwise required by law) and (ii) each outstanding Reorganized MobileMedia Class B Share issued upon exercise of a Reorganized MobileMedia Right will automatically change and convert to one Reorganized MobileMedia Common Share without any further action by Reorganized MobileMedia or the holder thereof upon (i) the delivery of a No Action Opinion with respect thereto by Communications Counsel to Reorganized MobileMedia, which opinion will be in form and substance satisfactory to the board of directors of Reorganized MobileMedia, and (ii) the delivery of a Favorable HSR Opinion with respect thereto by HSR Counsel to Reorganized MobileMedia which opinion will be in form and substance satisfactory to the board of directors of Reorganized MobileMedia.

For the purposes of the foregoing, (i) "Communications Counsel" means one or more legal counsel selected by Reorganized MobileMedia as appropriate for purposes of delivering a No Action Opinion; (ii) "No Action Opinion" means, with respect to any Reorganized MobileMedia Class B Shares, a written opinion of Communications Counsel to the effect that (a) such Reorganized MobileMedia Class B Shares may be changed and converted into one Reorganized MobileMedia Common Share (and that each other Reorganized MobileMedia Class B Share held by the holder of such Reorganized MobileMedia Class B Share or any affiliate thereof may be changed and converted into one Reorganized MobileMedia Common Share) without any action or approval of the Federal Communications Commission or any state, municipal or foreign governmental agency or authority having jurisdiction over the matter not theretofore obtained and (b) any action or approval of the Federal Communications Commission or any such state, municipal or foreign governmental agency or authority theretofore obtained with respect to thereto (including with respect to each such other Reorganized MobileMedia Class B Share) is final and not subject to appeal or further appeal, whether due to the time for such appeal having expired or otherwise; (iii) "HSR Counsel" means legal counsel selected by Reorganized MobileMedia as appropriate for purposes of delivering a Favorable HSR Opinion; and (iv) "Favorable HSR Opinion" means, with respect to any Reorganized MobileMedia Class B Shares, a written opinion of HSR Counsel to the effect that (x) any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, applicable to the change and conversion of such Reorganized MobileMedia Class B Share into one Reorganized MobileMedia Common Share (as well as to the change and conversion of each other Reorganized MobileMedia Class B Share held by the holder of such Reorganized MobileMedia Class B Share or any affiliate thereof into one Reorganized MobileMedia Common Share) will have expired or been terminated without any action of the Federal Trade Commission or the U.S. Department of Justice relating thereto being made or, if made, continuing, or (y) no such waiting period is applicable (including with respect to all other Reorganized MobileMedia Class B Shares held by such holder or any affiliate thereof).

5. General Provisions of the Reorganized MobileMedia Warrants.

The Plan provides that Reorganized MobileMedia will issue to holders of Allowed Claims in Classes 5 and 6 pursuant to the Plan Reorganized MobileMedia Warrants. The Reorganized MobileMedia Warrants, if fully issued on the Effective Date, would entitle the

holders thereof to purchase, at an exercise price of \$35 per Reorganized MobileMedia Common Share (assuming the issuance on the Effective Date of 20 million Reorganized MobileMedia Capital Shares), an aggregate number of Reorganized MobileMedia Common Shares equal to the product of (i) 16.5% and (ii) the sum of (a) the aggregate number of Reorganized MobileMedia Capital Shares issued under the Plan on the Effective Date and (b) the aggregate number of Reorganized MobileMedia Common Shares issuable upon the exercise of the Reorganized MobileMedia Warrants (assuming the Reorganized MobileMedia Warrants are exercised in full), subject to adjustment in certain circumstances as described below. The Reorganized MobileMedia Warrants will be exercisable until 5:00 p.m., New York City Time, on the seventh anniversary of the Effective Date (or, if such day is not a Business Day, the next succeeding Business Day). The Reorganized MobileMedia Warrants will have no voting rights, will not be entitled to receive dividends or other distributions declared on the Reorganized MobileMedia Common Shares and will not be entitled to share in any of the assets of Reorganized MobileMedia upon any liquidation, dissolution or winding-up of Reorganized MobileMedia. The number of Reorganized MobileMedia Common Shares for which a Reorganized MobileMedia Warrant will be exercisable and the exercise price of the Reorganized MobileMedia Warrants will be subject to adjustment upon the occurrence of certain events, including, without limitation, (i) stock dividends, subdivisions and combinations affecting the Reorganized MobileMedia Common Shares, and (ii) reorganizations, reclassifications, consolidations and mergers involving Reorganized MobileMedia. Reorganized MobileMedia will be under no obligation to repurchase the Reorganized MobileMedia Warrants. The other terms and provisions governing the Reorganized MobileMedia Warrants will be set forth in the Reorganized MobileMedia Warrant Agreement, which must be reasonably acceptable to the Pre-Petition Agent. Pursuant to Section 6.8 of the Plan, the Reorganized MobileMedia Warrant Agreement will be filed with the Bankruptcy Court ten days prior to the Voting Deadline.

6. General Provisions of the Reorganized MobileMedia Rights.

On the Effective Date, pursuant to the Plan and the Rights Agreement, Reorganized MobileMedia will issue _____ Reorganized MobileMedia Rights, on a pro rata basis, to the holders of the Allowed Claims in Classes 5 and 6, as more fully described below. The Reorganized MobileMedia Rights will be transferable, will be evidenced by certificates signed by or on behalf of Reorganized MobileMedia and authenticated by the Rights Agent and will expire at the conclusion of the Rights Exercise Period, which will be at 5:00 p.m., New York City Time, on the date that is fifty-five days after the Effective Date, or if such date is not a Business Day, the next following Business Day.

Each Reorganized MobileMedia Right will entitle the holder thereof to purchase from Reorganized MobileMedia one Reorganized MobileMedia Class B Share, subject to the terms and conditions of such Reorganized MobileMedia Right, for a purchase price per share equal to the Rights Exercise Price. The Rights Exercise Price will be \$_____ per Reorganized MobileMedia Right if Class 6 accepts the Plan and \$_____ per Reorganized MobileMedia Right if Class 6 rejects the Plan. In the aggregate, the Reorganized MobileMedia Rights will entitle the holders thereof, subject to the terms and conditions thereof, to purchase from Reorganized

MobileMedia an aggregate number of Reorganized MobileMedia Class B Shares equal to the aggregate number of MobileMedia Class A Shares issued on the Effective Date pursuant to the Plan (which shares will be issued to the members of Class 4). In order to exercise a Reorganized MobileMedia Right, a holder thereof must comply with the Rights Agreement and, as described in Schedule 5 to the Plan, execute and deliver a Rights Exercise Notice accompanied by an amount in immediately available U.S. dollars equal to the product of the Rights Exercise Price multiplied by the number of Reorganized MobileMedia Class B Shares being purchased.

The conversion of Reorganized MobileMedia Class B Shares into Reorganized MobileMedia Common Shares is subject to the following Closing Conditions: (i) the delivery of a No Action Opinion with respect thereto by Communications Counsel to Reorganized MobileMedia, which opinion will be in form and substance satisfactory to the board of directors of Reorganized MobileMedia; and (ii) the delivery of a Favorable HSR Opinion with respect thereto by HSR Counsel to Reorganized MobileMedia, which opinion will be in form and substance satisfactory to the board of directors of Reorganized MobileMedia.

Any Reorganized MobileMedia Right not properly exercised within the Rights Exercise Period will automatically terminate and be of no further force or effect. In addition, if, notwithstanding the exercise of any Reorganized MobileMedia Right, the issuance of one Reorganized MobileMedia Class B Share upon the exercise of such Reorganized MobileMedia Right has not been effected on or prior to the Rights Closing Date, then such Reorganized MobileMedia Right will automatically terminate and be of no further force or effect.

As noted in the Closing Conditions described above, under certain circumstances, the conversion into Reorganized MobileMedia Common Shares of the Reorganized MobileMedia Class B Shares issued upon the exercise of the Reorganized MobileMedia Rights will require a No Action Opinion by Communications Counsel. More specifically, if the exercise of Reorganized MobileMedia Rights would cause an entity to own or vote more than 50% of the Reorganized MobileMedia Capital Shares or would result in 50% or more of the Reorganized MobileMedia Capital Shares changing hands, Communications Counsel may not be able to give a No Action Opinion. Obtaining this opinion may delay the conversion of Reorganized MobileMedia Class B Shares into Reorganized MobileMedia Common Shares, and the Debtors can provide no assurance that such an opinion could be obtained.

As noted in the Closing Conditions described above, the conversion into a Reorganized MobileMedia Common Share of a Reorganized MobileMedia Class B Share issued upon the exercise of a Reorganized MobileMedia Right will require a Favorable HSR Opinion by HSR Counsel to the effect that (x) any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, applicable to the conversion of such Reorganized MobileMedia Class B Share into one Reorganized MobileMedia Common Share (as well as to the conversion of each other Reorganized MobileMedia Class B Share held by the holder of such Reorganized MobileMedia Class B Share or any affiliate thereof into one Reorganized MobileMedia Common Share) shall have expired or been terminated without any action of the Federal Trade Commission or the U.S. Department of Justice relating thereto being made or, if

made, continuing, or (y) no such waiting period is applicable (including with respect to all other Reorganized MobileMedia Class B Shares held by such holder or any affiliate thereof). More specifically, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires that certain parties intending to engage in certain purchases or sales of voting securities, mergers, purchases or sales of assets or to engage in other acquisition transactions, provide the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice with detailed information regarding their operations and the proposed transaction. In general, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, also stays the consummation of covered purchases of voting securities, mergers and acquisitions during a waiting period lasting thirty days and cash tender offers for a waiting period lasting fifteen days. Moreover, the Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice may obtain extensions of such waiting periods or may grant an early termination of such waiting periods. The conversion of Reorganized MobileMedia Class B Shares without voting rights into Reorganized MobileMedia Common Shares with voting rights may be deemed to be an acquisition of voting shares covered by the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Obtaining a Favorable HSR Opinion may delay the conversion of Reorganized MobileMedia Class B Shares into Reorganized MobileMedia Common Shares, and the Debtors can provide no assurance that such Favorable HSR Opinion could be obtained.

Pursuant to Section 6.8 of the Plan, the Rights Agreement, which must be reasonably acceptable to the Pre-Petition Agent, will be filed with the Bankruptcy Court ten days prior to the Voting Deadline.

J. Claims Reconciliation and Objection Process

1. Bar Date for Administrative Claims.

Section 4.4(A) of the Plan provides that all applications for final compensation of professional persons employed by the Debtors or the Committee, pursuant to orders entered by the Bankruptcy Court and on account of services rendered prior to the Effective Date, and all other requests for payment of administrative costs and expenses incurred prior to the Effective Date pursuant to sections 507(a)(1) or 503(b) of the Code (except for claims for taxes, trade debt and customer deposits and credits incurred in the ordinary course of business after the Petition Date), must be served on the Reorganized Debtors, the Pre-Petition Agent and the Committee and filed with the Bankruptcy Court no later than 45 days after the Effective Date. Any such claim that is not so served and filed by this deadline will be forever barred.

2. Objections to Claims.

Section 4.4(B)(1) of the Plan provides that notwithstanding the occurrence of the Confirmation Date, and except as to any Claim that has otherwise been Allowed, the Debtors may object to the allowance of any Claim that is not an Administrative Claim. Any such objections must be filed no later than the Effective Date. No distribution will be made on account of any Claim that is not Allowed. To the extent any property is distributed to an entity

on account of a Claim that is not an Allowed Claim, such property will promptly be returned to the Reorganized Debtors.

Section 4.4(B)(2) of the Plan provides that on and after the Effective Date, only the Reorganized Debtors will have authority to continue to prosecute, settle or withdraw objections to Claims. After the Effective Date, the Reorganized Debtors will be entitled to compromise or settle any Disputed Claim without approval of the Bankruptcy Court.

Section 4.4(B)(3) of the Plan provides that payments and distributions to each holder of a Disputed Claim, to the extent that it ultimately becomes an Allowed Claim, will be made in accordance with the provisions of the Plan governing the Class of Claims to which the respective holder of such Claim belongs. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing such Claim becomes a Final Order, any property that would have been distributed prior to the date on which a Disputed Claim becomes an Allowed Claim will be distributed, together with any dividends, payments or other distributions made on account of such property from the date such distributions would have been due had such Claim then been an Allowed Claim to the date such distributions are made.

K. Retention of Jurisdiction

Section 6.1 of the Plan provides that following the Effective Date, the Bankruptcy Court will retain such jurisdiction as is set forth in Section 6.1 the Plan. Section 6.1 of the Plan provides that the Bankruptcy Court will retain jurisdiction for the following purposes:

1. To determine the allowability, classification, priority or subordination of Claims against the Debtors and Interests in the Debtors upon objection, or to estimate, pursuant to section 502(c) of the Code, the amount of any Claim against the Debtors that is or is anticipated to be contingent or unliquidated as of the Effective Date, or to hear proceedings to subordinate Claims against the Debtors or Interests in the Debtors brought by any party in interest with standing to bring such objection or proceeding;

2. To construe and to take any action authorized by the Code and requested by the Reorganized Debtors or any other party in interest to enforce the Plan and the documents and agreements filed in connection therewith, to issue such orders as may be necessary for the implementation, execution and consummation of the Plan, including, without limiting the generality of the foregoing, orders to expedite regulatory decisions for the implementation of the Plan and to ensure conformity with the terms and conditions of the Plan, such documents and agreements and other orders of the Bankruptcy Court, notwithstanding any otherwise applicable non-bankruptcy law;

3. To determine any and all applications for allowance of compensation and expense reimbursement from the Debtors, the Reorganized Debtors and the Committee for periods on or before the Effective Date and to determine any other request for payment of administrative expenses;

4. To determine all matters that may be pending before the Bankruptcy Court on or before the Effective Date;

5. To resolve any dispute regarding the implementation or interpretation of the Plan that arises at any time before the Cases are closed, including a determination, to the extent a dispute arises, of the entities entitled to a distribution within any particular Class of Claims and of the scope and nature of the Reorganized Debtors' obligations to cure defaults under assumed contracts, leases, franchises and permits;

6. To determine any and all applications pending on the Confirmation Date for the rejection, assumption or assignment of executory contracts or unexpired leases entered into prior to the Petition Date, and the allowance of any Claim resulting therefrom;

7. To determine all applications, adversary proceedings, contested matters and other litigated matters that were brought or that could have been brought on or before the Effective Date;

8. To determine matters concerning local, state and federal taxes in accordance with sections 346, 505 and 1146 of the Code, and to determine any tax claims that may arise against the Debtors or Reorganized Debtors as a result of the transactions contemplated under the Plan;

9. To determine such other matters and for such other purposes as may be provided in the Confirmation Order; and

10. To modify the Plan pursuant to section 1127 of the Code, or to remedy any apparent nonmaterial defect or omission in the Plan, or to reconcile any nonmaterial inconsistency in the Plan so as to carry out its intent and purposes.

Prior to the Effective Date, the Bankruptcy Court will retain jurisdiction with respect to each of the foregoing items and all other matters that were subject to its jurisdiction prior to the Confirmation Date.

VII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. General Tax Considerations

The following discussion summarizes the material federal income tax consequences of the implementation of the Plan to the Debtors and to United States holders of Claims and Interests. This summary does not discuss all aspects of federal income taxation that may be relevant to a particular holder of a Claim or Interest subject to special treatment under the federal income tax laws (such as foreign taxpayers, broker-dealers, banks, thrifts, insurance